

# Food Stamp Participation by Eligible Older Americans Remains Low

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For more than 15 years, the Nation's largest food assistance program has confronted a mystery. Although USDA's Food Stamp Program has special provisions to facilitate participation by low-income Americans age 60 and older, only about a third of those eligible in this age group join the program. No other demographic group participates at such a low rate.

The food stamp participation rate—the number of participants as a proportion of the number of eligible people—dropped slightly for older Americans from 1994 to 2000, while the participation rate fell sharply for other age groups (table 1). For people age 60 and older, USDA's Food and Nutrition Service

(FNS) estimates that the participation rate was 36 percent in 1994 and 30 percent in 2000. By contrast, the participation rate fell from 74 to 60 percent for nonelderly adults in the same period. For children under age 18, the participation rate also fell, from 90 percent in 1994 to 72 percent in 2000.

An average of 1.7 million Americans age 60 and older received food stamps each month in 1999 and 2000. For households that included participants age 60 and older in 2000, average monthly benefits were \$59, compared with average benefits of \$158 for all food stamp households. The average benefit is lower for households with older Americans partly because of

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their smaller family sizes and partly because of their higher per capita income.

## Special Provisions for Older Americans

Following rules established by Congress, the Food Stamp Program extends a special invitation to older Americans. Individuals age 60 and older, or families that include a person this age, face somewhat relaxed income and asset limits for eligibility in the program. For example, to be eligible for food stamp benefits, families without an elderly or disabled member must have monthly cash income no higher than 130 percent of the Federal poverty guideline (the guideline is \$1,467 per month for a family of four in 2002). This limit, known as the "gross income test," is waived for families with an elderly or disabled person. The only income limit families with an elderly or disabled person must meet is known as the "net income test," which requires that monthly cash income after certain deductions be no higher than 100 percent of the Federal poverty guideline. The most important deductions are a standard deduction and a shelter deduction for certain housing and utility expenses. Older or disabled participants are also permitted a deduction for



Among low-income elderly persons, the share of nonparticipants in the Food Stamp Program that reported being in excellent health was more than double the share of participants reporting this level of health.

Credit: Ken Hammond, USDA.

out-of-pocket medical expenses above \$35, which is not available to other participants.

To be eligible for food stamps, families with a member age 60 and older face a more lenient limit on the assets they may own (\$3,000) than other families (\$2,000). As of October 2002, families with a dis-

abled member will also face the more lenient \$3,000 asset limit. For all families, these asset limits do not include a family's own home. Households in which all members receive benefits from Supplemental Security Income (SSI), a Federal cash assistance program for the low-income elderly and disabled, are automatically eligible for the Food Stamp Program, without being subject to asset limits at all. These food stamp eligibility requirements seek to provide for the special circumstances of older Americans, such as higher medical costs or assets that are essential savings for old age.

### Exploring the Mystery of the Missing Elderly

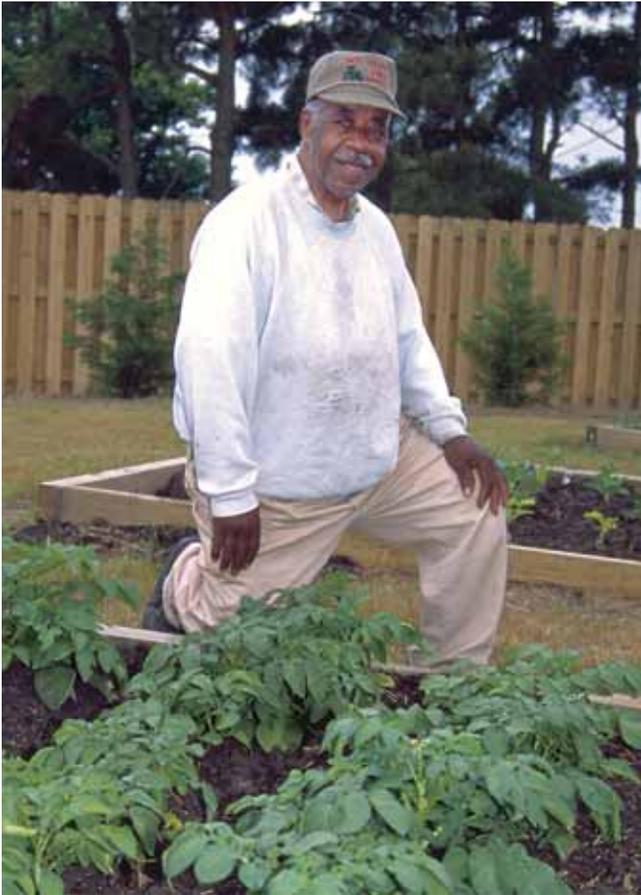
To gain insight into what is keeping older Americans away from the Food Stamp Program, USDA's Economic Research Service (ERS) compared relevant demographic characteristics and income levels of food stamp participants age 60 and older and low-income nonparticipants age 60 and older. ERS used data from the Census Bureau's March 2001 Current Population Survey (CPS) to make the comparison. Both the food stamp participants and the nonparticipants had annual household incomes below 130 percent of the Federal poverty guideline. In 2000, the Federal poverty level was \$922 per month for a two-person household. Income includes all sources of cash income, such as earnings, social security, welfare benefits, and

interest income, but not in-kind benefits, such as food stamps or most medical program benefits. (The 130-percent criterion does not by itself establish eligibility because some elderly people with incomes lower than 130 percent of poverty may be ineligible due to asset limits and other rules, while others with higher incomes may in fact be eligible if they have substantial deductions.)

The elderly participants and low-income nonparticipants were similar in some respects. About two-thirds of both groups were women (table 2). A slightly higher proportion of the participant group lived in rural areas. The nonparticipating elderly were slightly older than the participating elderly. Median age for nonparticipants was 73, versus 70 for participants.

Elderly Food Stamp Program participants and low-income nonparticipants differed in race, ethnicity, and region of residence. Participants were more likely than nonparticipants to be Black or Hispanic. Almost three quarters (71 percent) of nonparticipants were non-Hispanic Whites, compared with just over half (55 percent) of participants. Nonparticipants were more likely than participants to live in the Midwest and West and less likely to live in the South and Northeast.

Some important differences between these two groups of elderly are their health and food security. Low-income nonparticipants, despite being slightly older than par-



Focus group participants commonly cited pride and the perceived stigma of Food Stamp Program participation as barriers to taking part in the program.

Credit: Ken Hammond, USDA.

**Table 1—Fewer Than a Third of Eligible People Over Age 60 Receive Food Stamps**

Fiscal year	Eligible persons, by age (years)			Participants, by age (years)			Participation rate, by age (years)		
	0-17	18-59	60 +	0-17	18-59	60 +	0-17	18-59	60 +
	Millions			Millions			Percent		
1994	15.0	14.6	5.5	13.5	10.8	1.9	89.6	74.2	35.7
1995	15.0	14.5	5.1	13.0	10.3	1.9	86.8	71.2	36.1
1996	14.4	14.3	5.8	12.3	9.9	1.7	85.6	68.7	29.7
1997	14.0	12.4	5.4	10.6	8.1	1.6	75.7	65.8	29.8
1998	13.4	11.7	5.3	9.4	7.1	1.6	70.7	60.3	30.9
1999	12.7	11.6	5.2	8.7	6.7	1.7	67.9	58.1	32.9
2000	11.9	10.9	5.4	8.5	6.5	1.7	71.8	59.9	30.0

Source: USDA's Food and Nutrition Service.

Participants, appear to be healthier than participants. Twenty-two percent of nonparticipants reported being in excellent or very good health, while only 10 percent of participants reported this level of health. Participants were more likely to report being in poor health.

Elderly participants were more likely than low-income nonparticipants to be classified as “food insecure,” based on their responses to a supplement to the CPS in 1999 and 2000 (see “Food Security Rates Are High for Elderly Households” elsewhere in this issue). Thirty-nine percent of elderly food stamp

participants were food insecure, compared with 16 percent of low-income elderly nonparticipants.

These results about health and food security may indicate that those low-income older Americans who face the most severe concerns about their health and food security situation are more likely to take the necessary steps to join the Food Stamp Program. In the case of health status, the referral of disabled and poor elderly to the Food Stamp Program from the SSI program may also play an important role. About 40 percent of elderly food stamp participants also participated in SSI, while only 7 percent of elderly food stamp nonparticipants reported participating in SSI.

### Interviews With Elderly Food Stamp Participants

USDA has also sponsored focus group studies to understand the Food Stamp Program experiences of older Americans and the reasons for their low participation rates. In conversations among groups of elderly program participants and eligible nonparticipants in the State of Washington, the most commonly mentioned barrier to participation was pride. As one elderly participant in Seattle explained: “I was from the generation where... no way did you take that stuff. You either worked or you did without it. So I had to get up a lot of courage to just ask (for food stamps).” The interviewers found that pride and the perceived stigma of program participation prevent some seniors from considering the Food Stamp Program as a viable resource.

The next most common barriers, in order of how frequently they were mentioned in these interviews, were misinformation and confusion about the program’s eligibility rules, lack of transportation, special issues confronting elderly immigrants, and language barriers. Other frequently mentioned barriers include low benefits, the burdens of applications and administrative requirements, and diffi-

**Table 2—Elderly Food Stamp Participants Report Lower Rates of Excellent and Very Good Health Than Nonparticipants**

Item	Persons age 60+ with income <= 130 percent of poverty guideline		
	All	FS participants	FS nonparticipants
Persons, March 2001 (thousands)	7,742	1,038 <sup>1</sup>	6,704
		<i>Percent</i>	
Age:			
60-69	37	48	35
70-79	39	37	39
80-89	20	12	22
90+	4	3	4
Gender:			
Female	66	69	65
Male	34	31	35
Race:			
White, non-Hispanic	69	55	71
Black, non-Hispanic	15	24	14
Hispanic	12	17	11
Other	4	3	4
Residence:			
Rural	28	31	27
Urban	72	69	73
Region:			
Northeast	19	22	19
Midwest	19	14	20
South	44	52	42
West	18	12	19
Health:			
Excellent or very good	21	10	22
Good	30	20	32
Fair	29	35	28
Poor	20	35	18
Food security status: <sup>2</sup>			
Secure	80	61	84
Insecure, without hunger	14	25	12
Insecure, with hunger	6	14	4
Received SSI benefits	12	40	7

Note: FS = Food Stamp Program. SSI = Supplemental Security Income.

<sup>1</sup>The Current Population Survey undercounts the number of elderly food stamp participants. There were 1.7 million elderly food stamp participants on average each month in 2000.

<sup>2</sup>Food security is defined as having access at all times to adequate food for an active, healthy life, and it is measured by asking a series of questions about household experiences of food deprivation.

Source: Current Population Survey (CPS), March 2001; CPS Food Security Supplements, April 1990 and September 2000, U.S. Census Bureau.

## Electronic Benefits Transfer Systems Can Present Challenges for the Elderly

Since USDA began experimenting with Electronic Benefits Transfer (EBT) systems in the early 1980s, there have been concerns that the elderly and the disabled would be uncomfortable with the new technology and reluctant to apply for benefits or use them once EBT systems were put into place. Concerns were expressed regarding the ability and willingness of the elderly to learn how to use the cards and EBT equipment. It was also feared that cognitive issues might prevent elderly participants from remembering their Personal Identification Numbers (PIN) (or trust giving them to authorized representatives) or mastering the new procedures needed to keep track of the amount of benefits remaining in their accounts.

Once EBT systems became operational, other problems became apparent. Since the elderly are likely to receive fewer benefits, some may accumulate the benefits over several months and use them in a single shopping trip or for a big occasion, such as Thanksgiving or other holidays. However, most State EBT systems move benefits to an inactive status if they are not used within 3 months. In such cases, it is not always clear to participants that these benefits can be retrieved. The use of EBT cards has also restricted seniors' ability to use food stamp benefits at congregate meal sites and as payment for home-delivered meals.

Early evaluations of EBT systems did not explore the extent to which the experiences of elderly Food Stamp Program clients might have differed from the average client. A recent EBT evaluation sponsored by USDA's Economic Research Service (ERS) at the request of USDA's Food and Nutrition Service found that elderly and disabled food stamp recipients had more problems remembering their PIN, using the EBT system, and using their EBT cards than nonvulnerable groups. These problems appeared to be greatest for new recipients. Elderly and disabled recipients, like other new EBT users, had fewer problems in subsequent months as they gained experience dealing with the system. The evaluation showed that overall satisfaction with the EBT system was very high for elderly and disabled clients, suggesting that initial difficulties with the system did not pose a serious problem for these participants in the long run.

Nonetheless, the substitution of EBT for food stamps may make the elderly less inclined to apply for Food Stamp Program benefits, especially if they anticipate problems adjusting to the new technology. Results from another ERS-sponsored study of recent trends in Food Stamp Program caseloads suggest that EBT may have had a negative impact on the size of the elderly caseload, particularly of "pure" elderly households (those without nonelderly adults or children.) In one of several analyses

of that study, the number of pure elderly households was estimated to be 9 percent lower in States where benefits were issued by EBT than in States where benefits were issued as stamps (after controlling for other factors that affect caseloads). Since this was not the case in all analyses, further research is needed to corroborate these findings and confirm whether EBT might pose a barrier to elderly participation.

In the meantime, USDA and other organizations have proposed some possible solutions for communities, advocacy groups, and State and local Food Stamp Program agencies that address the special problems of the elderly:

- Provide extensive training opportunities for elderly applicants, including adequate hands-on training in the use of EBT cards.
- Allow benefits to accumulate and remain active for at least 6 months for households that consist entirely of elderly or disabled individuals.
- Contact individuals who have not used their benefits after a certain period of time to make sure that they know how to access them.
- Provide options for seniors to use EBT cards at meal programs that formerly accepted food stamps.

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culty in using Electronic Benefit Transfer (EBT) technology—the plastic debit cards that are replacing traditional food stamp coupons as the program’s principal method for distributing benefits (see box).

Thirty percent of all participant households with an elderly person received the minimum benefit of \$10 per month in 2000, while only 6 percent of other households received the minimum benefit. “Why bother for \$10,” one nonparticipant in Tacoma said (in translation from Korean). “When I applied it was too complicated and too cumbersome to go get all the paperwork that the woman asked for. So I just didn’t bother.”

### USDA Takes Steps To Reach the Elderly

In response to these and other studies, USDA and some States have begun testing and implementing Food Stamp Program changes designed to increase participation by eligible people age 60 and older. USDA already permits the elderly to conduct mandatory meetings with caseworkers over the telephone, instead of face-to-face, to help overcome transportation barriers. In some States, new federally funded efforts to reach the elderly seek to counteract the lack of information about program rules and benefit levels and remove barriers to participation. For example, FNS, which administers the Food Stamp Program at the Federal level, is providing \$2 million in grants to six States to conduct 2-year nutrition pilot projects de-

signed to increase eligible elderly participation. One project will test the use of a simplified food stamp application. Three projects will provide the elderly with one-on-one assistance with the application process. Two projects will provide benefits to the elderly in the form of a commodity package, in hopes of making food stamp benefits appear less similar to welfare programs that may be stigmatized in the view of some potential elderly participants. ERS will fund an independent evaluation of these pilot projects so that successful outreach models may be extended more widely in the future.

South Carolina has tested another approach to easing access to the Food Stamp Program for eligible older Americans. As noted earlier, some SSI participants in all States are automatically eligible for food stamp benefits, but they typically must nevertheless apply to the Food Stamp Program so that their benefit level may be determined. The South Carolina program automatically provides food stamp enrollment and a standardized benefit for single-person households receiving SSI, which avoids the burden of additional application tasks. To date, this approach has increased participation in the Food Stamp Program, increased client satisfaction, and decreased application costs for the State. The success of the South Carolina effort has led other States to consider similar approaches.

Food stamp participants age 60 and older have grown from 7.4 per-

cent of all participants in 1994 to 10 percent in 2000. Between 2000 and 2015, the Census Bureau projects that the number of Americans age 65 and older will increase from about 35 million to about 46 million. After a period of slow growth, the numbers of potential older food stamp participants will increase, especially after 2005, when the oldest of the baby boom generation reaches age 60. Many of these aging boomers will have adequate financial resources for their retirement needs, but others will not. In years to come, the success of the Food Stamp Program’s outreach efforts will increasingly depend on the program’s success in reaching eligible older Americans.

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